



## FISCAL MEMORANDUM

### SB 300 - HB 437

March 14, 2023

**SUMMARY OF BILL AS AMENDED (005593):** Authorizes a student in third grade who is not proficient in English language arts (ELA) to be promoted to the next grade level if the student scores in at least the fiftieth percentile on the most recently administered state-approved benchmark assessment if the benchmark assessment is administered to the student in a test environment, as determined by the Department of Education (DOE), and the student's local education agency (LEA) or public charter school agrees to provide tutoring services to the student for the entirety of the student's fourth-grade year. Authorizes a student's parent or guardian to consent for the principal, guidance counselor, teacher, or another administrator of the student's school to file an appeal to a retention decision. Beginning in the 2023-24 school year, requires a student who is retained in any of the grades kindergarten through three (K-3) to be assigned a tutor through the Tennessee Accelerating Literacy and Learning Corps (TN ALL Corps) to provide the student with tutoring services for the entirety of the upcoming school year.

Requires DOE to report certain student retention and promotion information and learning loss bridge camp enrollment for each LEA to the education committees of the senate and house of representatives. Authorizes DOE to procure up to three online tutoring providers that local education agencies and public charter schools may use to provide online tutoring services to students. Authorizes DOE's chief procurement officer to approve an emergency purchase of online tutoring providers using procurement methods authorized in Tenn. Code Ann. § 12-3-505 and the Department of General Services' Central Procurement Office's rules.

### FISCAL IMPACT OF BILL AS AMENDED:

#### **Increase State Expenditures - \$7,650,000/FY23-24 and Subsequent Years**

Assumptions for the bill as amended:

- The current third grade retention law takes effect at the end of the 2022-23 school year and requires a student in the third grade to not be promoted to the next grade level unless the student is determined to be proficient in ELA based on the student's achieving a performance level rating of "on track" or "mastered" on the ELA portion of the student's most recent Tennessee Comprehensive Assessment Program (TCAP) test.
- The proposed legislation creates another pathway for a student to be promoted, even if the student does not achieve a performance level rating of "on track" or "mastered" on the ELA portion of the student's most recent TCAP test.

- DOE will be required to update retention guidance documents and communicate with districts on the changes to retention law.
- DOE and schools will be able to comply with the proposed legislation within existing resources. Any fiscal impact is estimated to be not significant.
- The proposed legislation further requires that a student who is retained in any of the grades K-3 to be assigned a tutor through TN ALL Corps for the entire school year.
- TN ALL Corps was established in January of 2021 using available federal Elementary and Secondary School Emergency Relief funds. In June of 2022 DOE awarded an additional \$27,000,000 to TN ALL Corps for tutoring purposes.
- DOE is authorized to procure up to three online tutoring providers that local education agencies and public charter schools may use to provide online tutoring services to students
- It is estimated that approximately 9,000 students in grades K-3 will be retained each year and will be required to be assigned a tutor for the school year, or 9 months; tutoring services are estimated to cost \$150 a month per student.
- Providing tutoring services to students retained in grades K-3 will increase state expenditures by \$12,150,000 (9000 x \$150 x 9).
- The Tennessee Investment in Student Achievement (TISA) funding formula provides local education agencies (LEAs) with \$500 per student to support kindergarten through third grade literacy as direct funding under TISA that may be used for tutoring.
- The total increase in state expenditures is estimated to be \$7,650,000 [\$12,150,000 - (9,000 x \$500)] in FY23-24 and subsequent years.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/ah